

## **CHAPTER II**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Customer Satisfaction in the Hospitality Industry**

The contemporary business environment emphasizes the importance of service excellence in influencing a firm's financial performance, primarily because of increased consumer engagement and heightened international rivalry. The business sphere acknowledges that customer contentment is crucial for success. Customers who are pleased not only exhibit higher loyalty and a greater propensity to revisit but also act as promoters, drawing in fresh clients. On the other hand, disgruntled customers may trigger unfavorable buzz and diminish the company's earnings. In the business-to-business (B2B) framework, vital marketing components encompass encouraging superior customer loyalty, creating substantial barriers to customer switches, leveraging particular marketing platforms, and developing a unique corporate identity or brand awareness (Smith & Johnson, 2023).

#### **2.2 Service Quality in Hotels**

Various definitions of service quality have been proposed by researchers. Danish (2018) views it as the comparative function that links customer expectations to the provided service, while Fida et al. (2020) define it as the underlying capabilities for a company or industry to meet customer expectations. Alifah (2020) and Simarmata (2022) both emphasize the importance of service quality in customer satisfaction, with Alifah using the SERVQUAL method to analyze the service quality of a hospital and Simarmata finding a significant

positive effect of service quality on customer satisfaction at a car dealership. Saputra (2021).

According to Abdullah & Afshar, (2019) quality is a theory which can be described as an evasive and blurred theory. It is important to differentiate between goods and services, because they have different characteristics. The former is more tangible, an object; the latter is intangible, actual performance (Abdullah & Rahman, 2015). One of the most significant and unparalleled characteristics of services is that it is a process, but not a thing. Therefore, service companies don't have any product, but they do have interactive processes. Services are invisible; therefore, it is difficult for the supplier to unfold and consumers to measure (Ali et al. 2021). As conveyance of services in the hospitality industry dependably includes human beings, it should concentrate on the management of people, and specifically on the collaborations between the client and personnel, which called service encounters.

Service quality is a key determinant of customer satisfaction in the hotel industry. It represents the extent to which a hotel meets or exceeds customer expectations regarding the delivery of services (Saeed, 2021). The SERVQUAL model, developed by Saeed (2021), identifies five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Tangibles refer to the physical aspects of service delivery, while reliability relates to the consistency and dependability of service provision. Responsiveness refers to the promptness and willingness to assist customers, while assurance pertains to the knowledge

and courtesy of staff. Finally, empathy involves understanding and addressing the individual needs of customers.

### **2.3 Role of Online Reviews in the Hotel Industry**

According to research conducted by Yae-Ji Kim and Hak-Seon Kim (2022), online reviews significantly impact customer satisfaction in the hotel industry. Their study suggests that the experiences of customers shape their opinions, which in turn influence their future decisions. The authors emphasized that positive reviews can enhance a hotel's reputation and reputation, leading to increased bookings, while negative reviews can deter potential customers.

Online reviews are essential tools for hospitality businesses. They provide a direct link to customer satisfaction and can reveal areas of improvement for a business. According to an article on Gourmet Marketing (n.d.), 46% of hotel customers state they write reviews after their holiday. These reviews cover a variety of topics, including the taste of the meal, booking procedure, room availability, and overall cleanliness. The article also suggests that online reviews can function as a content marketing strategy, helping to build trust in prospective customers and increase engagement rates.

The same article also notes that ratings and reviews greatly influence booking decisions. Hotels with a high rating and numerous positive reviews are more likely to receive bookings. Moreover, the article advises that online reviews provide valuable insights into specific aspects of hotel service quality, such as cleanliness, staff behavior, and amenities.

To encourage customers to leave reviews, the article recommends several tactics. These include offering promotional gifts, sending an email requesting feedback after a booking, asking for reviews in person, and simplifying the review process. By implementing these strategies, businesses can increase the number of positive reviews and improve their online reputation.

#### **2.4 The Onsen Hot Spring Resort Songgoriti**

The Onsen Hot Spring Resort Songgoriti is a popular hot spring resort located in Batu, East Java, Indonesia. The one and the only natural hot spring resort and Japanese restaurant in Batu, Malang of East Java. It is ideally located in the amidst of lush pine trees scenery of the mountainous background in Batu, Malang. This is the ideal place for relaxing your mind and body. Overall, the Onsen Hot Spring Resort Songgoriti is a popular destination for those seeking a peaceful retreat and a chance to experience the healing powers of natural hot springs in a beautiful setting.

The Onsen Hot Spring Resort Songgoriti's location presents a significant difficulty in terms of accessibility. Its twisting, narrow, and steep roads can be uncomfortable for guests with motion sickness or those not used to driving in mountainous areas. Moreover, the resort's remote location from major transportation centers means that visitors might have to undertake a long trip to get there, which could discourage those looking for easier access. Despite these hurdles, many visitors consider the journey to Onsen Hot Spring Resort Songgoriti worthwhile, as it provides a tranquil escape in the scenic beauty of East far from the city.